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THIS IS UNEVALUATED INFORMATION

SOURCE Egyseges ArulistaCOMMENTS ON THE HUNGARIAN UNIFORM PRICE LIST

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In 1951, the Hungarian National Planning Office published a Uniform Price List (Egyseges Arulista), which establishes the so-called unchangeable prices in effect on 1 July 1949.

The Uniform Price List consists of three volumes which contain prices for goods originating in the following branches of the national economy:

Volume I: Mining; electric power production; the chemical, building materials and glass, paper and printing, clothing, leather, and agricultural industries; and agriculture and animal husbandry.

Volume II: Metallurgy; heavy machine construction; and the mass-produced metal goods industry.

Volume III: The fine mechanics, electrical, and communications industries.

(FDD Report U-4845 contains the unchangeable prices for the following products: nitrogen fertilizers, sugar, meat products, grain, aluminum products, heavy machines, fine mechanics, demonstration instruments, cameras and electrical machines.)

The meaning of unchangeable prices is explained in the preface to the document, as follows:

"Changes in the volume of production are determined by the value of production. To arrive at the value of production, the effects of price changes which occur from time to time must be eliminated. This is accomplished by the employment of unchangeable prices. The Uniform Price List contains unchangeable, weighted average prices. They are based on the net prices, including turnover taxes, which were paid by the nationalized domestic wholesale enterprises as of 1 July 1949."

- 1 -

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It will be noted that while the brief statement explaining the system of unchangeable prices indicates the purpose of the document, it fails to furnish any information as to the methods of sampling, weighting, and statistical analysis employed. It will also be well to bear in mind that high-ranking Hungarian government and party officials, as well as the daily and periodical press, often scored the unreliability of the statistical data which have been supplied by state enterprises, lower-echelon authorities, etc., to the government and the Central Statistical Office.

Consequently, the weighted average prices included in the document cannot be taken at face value. Regardless of their degree of authenticity, however, these prices appear to have been adopted for planning purposes. Besides their ostensible purpose, the 1949 prices may conceivably also fulfill some function in Hungary's export transactions with the other Satellite countries and, particularly with the USSR. A corollary of this assumption would then be that Hungary's trade partners in the Bloc apply, in turn, their own unchangeable or constant prices to their exports to Hungary, or in intra-Bloc trade in general. Obviously, a pricing method of this kind would require intrastate equalization of prices between the government and the exporters and importers in each country concerned.

A survey reveals the following information on the system of constant prices in the Soviet Bloc:

USSR -- The Joint Press Reading Service, dated 14 March 1952, states that, up to 1949, 1926-27 prices were used for planning purposes in the USSR. In 1949-51, planning was carried out on the basis of current wholesale prices. As of 1 January 1952, a new list of constant wholesale prices was established for planning and this list will remain in effect until voided.

East Germany -- The weekly "Die Wirtschaft," East Berlin, dated 29 June 1951, mentions that a list of constant prices, the so-called "Messwerte," was established in East Germany. In the more recent periodical literature of East Germany, references to the above price list have also been made.

Poland -- The following two quotations are taken from FDD Report U-4656, entitled "Organization and Planning in Polish Foreign Trade":

Page 27: "The trade agreement with the USSR contains a constant price clause, which permits precise formulation of the plan for financing the agreement."

Page 32: "In the agreements with the people's democracies where the constant price is in use, making contracts for gains, domestic fowl, meat, fruit, etc., is possible at any time."

Bulgaria -- In the Bulgarian press, references to a constant price list have been frequent.

Rumania, Albania, China -- No references to a constant price list have been noted.

Czechoslovakia -- A Unified Commodity Price List (Jednotny Seznam Zbony) containing wholesale prices in effect on 1 January 1948 was published by the State Planning Office in 1950, and a supplement was published in 1951. The preface states that these prices are intended to serve primarily for planning and statistical purposes.

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- 2 -

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